

FINAL ENVIRONMENTAL IMPACT REPORT

FOR THE

COCHRANE ROAD PLANNED UNIT DEVELOPMENT

SCH# 2004112060

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1.0 INTRODUCTION

PURPOSE OF THE EIR PROCESS

This Environmental Impact Report (EIR) is an informational document prepared by the City of Morgan Hill to evaluate the environmental impacts of the Cochrane Road Planned Unit Development (PUD). The primary objectives of the EIR process under the California Environmental Quality Act (CEQA) are to inform decision makers and the public about a project's potential significant environmental effects, identify possible ways to minimize significant effects and consider reasonable alternatives to the project. This EIR has been prepared with assistance from the City's consultant, Pacific Municipal Consultants, and reviewed by City staff for completeness and adequacy in accordance with Public Resources Code (PRC) Sections 21000-21177 and the State CEQA Guidelines.

The purpose of an EIR is to identify a project's significant effects on the environment, to identify alternatives to the project, and to indicate the manner in which those significant effects can be mitigated or avoided (PRC sec. 21002.1[a]). Comments from the public and public agencies on the environmental effects of a project must be made to lead agencies as soon as possible in the review of environmental documents, including, but not limited to, draft EIRs and negative declarations in order to allow the lead agency to identify, at the earliest possible time in the environmental review process, potential significant effects of a project, alternatives, and mitigation measures which would substantially reduce the effects. (PRC sec. 21003.1[a]).

As prescribed by the State CEQA Guidelines Sections 15088 and 15132, the Lead Agency, the City of Morgan Hill, is required to evaluate comments on environmental issues received from persons who have reviewed the Draft EIR (DEIR) and prepare written responses to these comments. This document, together with the DEIR (incorporated by reference in accordance with State CEQA Guidelines Section 15150) will comprise the Final Environmental Impact Report (FEIR) for this project. Pursuant to the requirements of the CEQA, the City of Morgan Hill must certify the FEIR as complete and adequate prior to approval of the project.

This FEIR contains individual responses to each written and verbal comment received during the public review period for the DEIR. In accordance with State CEQA Guidelines Section 15088(b), the written responses describe the disposition of significant environmental issues raised (e.g., revisions to the proposed project to mitigate anticipated impacts or objections). The City of Morgan Hill and its consultants have provided a good faith effort to respond in detail to all significant environmental issues raised by the comments.

1.0 INTRODUCTION

EIR CERTIFICATION PROCESS AND PROJECT APPROVAL

In accordance with the requirements of CEQA and the procedures of the City of Morgan Hill, the City Council must certify the FEIR as complete and adequate prior to taking action on the proposed project. Once the EIR is certified and all information considered, using its independent judgment, the City can take action to go forward with the proposed project, make changes, or select an alternative to the proposed project. While the information in the EIR does not control the City's ultimate decision, the agency must respond to each significant effect and mitigation measure identified in the EIR by making findings supporting its decision.

2.0 RESPONSE TO COMMENTS

Planning Commission Meeting Minutes

Comment Letter #1

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Commissioner Acevedo again spoke in favor of 'some type of deed restriction' and suggesting that to be important if the developers have an artificial cap or ceiling on their selling prices. Commissioner Acevedo led the discussion, saying, "So if there is a limited deed restriction, which could be something like 'no equity accrued until in the buyer has lived in the house for at least two years, the ceiling might not be forced too low.'"

Commissioner Escobar commented that the Planning Commissioners probably don't have enough information at this point to make a firm statement, but need to explore many issues including discussion with residential builders. "A two-year residency may be feasible," Commissioner Escobar stated as he cited Federal government rules for capital gains.

Chair Lyle noted that for the developers with final maps in process, it may be better to consider having smaller units for allotments, and the developers should look at other options, as well.

Staff was directed to continue work on the matter with further reporting in the future.

The regular order of the agenda was resumed.

Commissioners noted the recent promotion of Rebecca Tolentino to Senior Planner and offered congratulations to her.

NEW BUSINESS:

2) ZA-04-12:
COCHRANE -
DINAPOLI/
BROWMAN

The Planning Commission is requested to provide comments on the Draft Environmental Impact Report for the 657,250-sf sub-regional commercial shopping center proposed at the northeast quadrant of Cochrane Rd. and Hwy 101. The subject site is 66.49 acres in size and is zoned PUD (HC), Planned Unit Development (Highway Commercial).

SP Tolentino gave the staff report, noting this item is not for definitive action, but Commissioners are requested to present comments on the draft EIR for the project.

SP Tolentino provided a brief project overview of the matter, advising that the applicant proposes five general categories of use for the project; large anchor stores, majors, retail shops, pads (commercial and restaurants) and a multi-plex cinema. The entitlements requested include a zoning amendment (PUD), general plan amendment, subdivision map, conditional use permit, architectural and site plan review, development agreement and tree removal plan. With such entitlements, SP Tolentino said, the Planning Commission and Architectural Review Board (ARB) are advisory. Explaining the process for this meeting, SP Tolentino reiterated that there would no voting but comments from the Commissioners would be placed in the record. For the benefit of the public, SP Tolentino said that the City would accept comments on the draft EIR until August 29, 2005. SP Tolentino noted the consultants for the City were present: Erika Spencer, Pacific Municipal Consultants, 585 Cannery Row, #304, Monterey; Jason Nesdahl, 775 Chapman St., San Jose; and Raymond Kennedy, 2239 Oregon, Berkley.

Chair Lyle opened the public hearing.

Leigh Prince, 255 W. Julian St., San Jose representative of Cochrane Plaza, spoke to the

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Commissioners in opposition to the proposed project and raised the following objections to the content of the EIR:

- 1-1
 - urban decay: even with mitigation measures, impacts on Cochrane Plaza will be significant as the mall will lose an anchor store [Target] and others may leave as well since those stores can/will break leases
 - remaining stores may not be enough to keep Cochrane Plaza in business [Ms. Prince told of the hesitancy of other businesses to remain in business at that location if Target is not there to 'draw']
 - if Cochrane Plaza goes dark, it will be detrimental to city
 - disagreement with the economic report that there will be limited mitigation needed
 - one interesting fact: if Target is committed to the new center, it is unknown what other impacts will be on Cochrane Plaza
- 1-2
 - loss of 66.49 acres of prime ag land [Ms. Prince noted this is against City stated purposes]
- 1-3
 - potential for air quality detriment
 - increase in the number of car trips will reduce air quality and increase traffic

In view of what he termed 'face value' statements, Commissioner Mueller asked Ms. Prince to further comment on her declaration that 'Target was happy where they are and don't want to move'. "Why is there an implication that if Target leaves, other store would move also. You appear to imply that Target wants to move just because the new center would be there and not expand at the present location."

Ms. Prince responded that if Target goes, there is no guarantee they have a draw for others at the current location plus there are clauses in some of the contracts, that if Target leaves, they could void the leases. Ms. Prince cautioned that dependent on what happens in association with this project, Cochrane Plaza may 'go dark'.

Commissioners Escobar questioned the volume of business on daily basis at Cochrane Plaza? Ms. Prince could not provide the exact numbers.

Commissioner Koepp-Baker noted Ms. Prince spoke about Target being an anchor store and each store (52.8% of the others) can 'opt out' while others are renewing leases expressing suspicion the possibility of those leaving may be overstated. "Plus you can have new people (businesses) coming in," Commissioner Koepp-Baker stated. She continued by asking about the types of stores Ms. Prince referred to as a possibility of leaving. Ms. Prince and the owner of Cochrane Plaza responded, "Retail and food service."

Commissioner Escobar inquired as to how much square footage is under discussion at Cochrane Plaza? Mike LaBarbera was present and identified himself as a former owner of Cochrane Plaza, and stating that there is about 270,000 - 300,000 sf total.

It was noted in discussion that Big 5 Sporting Goods lease is up later this year.

Mike LaBarbera, 1765 Lucca Place, San Jose, spoke to the Commissioners, admitting to 'mixed emotions' as a former owner of Cochrane Plaza. He said that even though there are issues with the proposed project, he was present to speak on potential impacts to Tennant Station. Mr. LaBarbera commented that Target was grossly undersized at the

Comment Letter #1 continued

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present location and had previously identified about 6,000 sf needed for growth. He went on to identify other businesses that were tied to Target. Mr. LaBarbera then turned to 'underlying impacts not in the EIR but which needs to be discussed'. Mr. LaBarbera told of the Tennant Station development and the impacts that the proposed development will have on the movie theater and the bowling alley. "We have worked hard to bring the movie theater which the City said was needed. The local operators have spent \$4 million to get the movie theater underway and another \$1.5 million to develop it," Mr. LaBarbera stated. "Now as to my concern: according to the EIR, I believe the movie multi-plex will put the Tennant Station movie theater out of business and this says something about the values of Morgan Hill. It needs to be considered that the City asked us to put in the movie theater at Tennant." Mr. LaBarbera stated that he agreed with the impacts to other centers in the City.

1-4

Commissioner Acevedo asked if, according to EIR, is there a projection that the movie theater at Tennant Station will fail, noting he had not seen that. Mr. LaBarbera said that the City can't have workshops for business growth and encourage business owners to bring in a theater, then program to have that business fail. "As far as the EIR goes, if the theater fails, would Tennant Station go into disrepair, no," Mr. LaBarbera said.

Commissioner Mueller asked Mr. LaBarbera why he had not worked on expanding Target? Mr. LaBarbera responded that he had, as a center owner, had been in talks with Target 'causally' and at that time Target officials were exploring looking at possibly Mervyn's. "The ball was definitely in their court," he said, noting that he 'only had a couple of conversations with Target' when he was working at the Cochrane Plaza, but then we sold it.

Chair Lyle inquired of Mr. LaBarbera as to the status of going from eight to eleven theaters at the Tennant Station site? Mr. LaBarbera replied they anticipated opening within a year.

1-5

John DiNapoli, 99 Almaden Blvd, #5, San Jose, and Darryl Browman, 100 Swan Way #206, Oakland, were present to speak to the Commissioners as developers of the center. Mr. DiNapoli told the Commissioners, that as additional background Target was unhappy with the space confinement of the current store and said, "If they can't do something, they will close the store and leave the community. There is a certain amount of corporate image involved. We thought that the current owner of Cochrane Plaza knew of the issues with Target. Target has told the City about their concerns at the present location. We believe it is important for the City to look at the image perception issue. That image that the City wants quality development is certainly there." Mr. DiNapoli stated that an EIR presents a 'worst case scenario' adding he believes if Target goes from the City, worse blight may result. Mr. DiNapoli told the Commissioners that a regional shopping center on the gateway corner would be beneficial as he spoke of the residential growth in the area and the residents could benefit from the shopping center. Mr. DiNapoli stated that Target did not think either Mervyn's location or the current location [in Cochrane Plaza] is feasible for an expanded location.

Commissioner Escobar asked what the trade area for the proposed center is? Mr. DiNapoli said it is expected it will draw from South San Jose through Gilroy south. He assured the center will be 'different from those in Gilroy today'. Mr. DiNapoli spoke at length on the issues of disposable income of the residents in Morgan Hill and the

Comment Letter #1 continued

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creation of a destination to draw trade from outside areas. "It makes a more viable community," he avowed.

Commissioner Escobar called attention that the EIR was 'brief on the downtown area' and suggests the downtown would be better suited to 'a niche clientele'. Commissioner Escobar asked clarification on the 'lifestyle clientele' and how it would differ. Mr. Browman said the best example was the City of Lodi. He indicated that ten years ago he had worked with City officials in Lodi in a concerted effort to take care for bringing in businesses. City leaders were supportive of his ideas, he said, and now the City has service/commercial uses which are successful. Mr. Browman also spoke to the issues of involvement with the Downtown Merchant's Association and having limited kiosks in the new center for referral to downtown business.

Commissioner Escobar said he was glad the developer had some understanding of and a willingness to work on trying to enhance the downtown as a component of the project. "My biggest concern is that the EIR is not broad on comment on retail," Commissioner Escobar stated.

Mr. Browman said Lodi uses cross-advertising which has helped business to succeed. He again assured that representatives from his group would want to sit on the Downtown Association Board and that by getting this in front of a lot of people all would benefit.

Mr. Browman further stated this could be a real opportunity for Cochrane Plaza to go for a new type of retail. Mr. Browman stressed that the developers had put together a team of 'long term investors' who are not trying to buy, put in the development, and leave. "We are committed to the long term," he underlined. Mr. Browman provided several examples of community work with various downtown associations. "We are committed to this project and to the community," he said.

With no others present to address the matter, the public hearing was closed.

Commissioners engaged in discussion on procedures for investigating the EIR. The following raised issues as indicated:

Commissioner Mueller:

- | | |
|-----|---|
| 1-6 | <ul style="list-style-type: none">▪ clarification of classification of business▪ need for consistent sequential numbering of store types and pad locations▪ some testimony suggests Target stays irregardless of whether this project goes; EIR should address issue of having target move or stay where is [SP Tolentino clarified that Target's letter to the City indicates the current location doesn't meet corporate lifestyle vision and therefore a different location is necessary.] |
|-----|---|

Chair Lyle:

Acsthetics

- | | |
|-----|--|
| 1-7 | <ul style="list-style-type: none">▪ need to identify how high berms will be (section 3)▪ parking lots appear massive; need for more specificity of screening (how many cars can be seen when observations are completed from other areas) |
|-----|--|

Air quality

- | | |
|-----|---|
| 1-8 | <ul style="list-style-type: none">▪ significant concern that a lot of the presented data is past history▪ failure to notice the effects of Calpine Metcalf station coming on |
|-----|---|

Comment Letter #1 continued

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- | | | | |
|------------------------------|---|---|--|
| 1-8 | <ul style="list-style-type: none"> ▪ need for prediction and how the Calpine Metcalf station drives numbers at estimates of potential pollutants ⊙ discussion ensued regarding a report from BAAQMD and others on monitoring and projections from the tables presented indicates 'no effect' | | |
| Geology | | | |
| 1-9 | <ul style="list-style-type: none"> ▪ request for investigation of permeable concrete potential viability; question if such installation could be beneficial in mitigating flooding, bank instability, etc: such installation could possibly keep water in the community where it could be investigated for effectiveness and further the effect of current mitigation under the water section of EIR ⊙ responding to a question, DDPW Bjarke agreed this technology is growing while cautioning the City wants to be very careful in a parking lot this size, such treatment could work but would like to further investigate; Chair Lyle said the EIR should investigate the matter | | |
| 1-10 | <ul style="list-style-type: none"> ▪ possibility of have looking at wells in the area for City/municipal use; ⊙ DDPW Bjarke said that was not being looked at for municipal use because of perchlorate issues; Commissioner Mueller said it might be possible to use the wells for landscaping; Chair Lyle said it could mean less strain on city resources | | |
| Water | | | |
| 1-11 | <ul style="list-style-type: none"> ▪ possible use of permeable concrete for enhanced water provision | | |
| Land Use And Planning | | | |
| 1-12 | <ul style="list-style-type: none"> ▪ 'lifestyle' dining and entertainment objectives overlap those of the downtown ▪ need for assessing the potential for a grocery at the Cochrane Plaza Target location – need to have voters approval ▪ errors in population estimates for 2020 and 2030 ▪ basis for 'capture of percentages' in table 9 ▪ need to revisit pages 23 and 24, including the referenced tables – as well as projection of effects on the Downtown ▪ need to revisit pages 23 – 28 and 40, relative to projected effects on the planned Downtown services | | |
| Noise | | | |
| 1-13 | <ul style="list-style-type: none"> ▪ need to address assisted living facility (sensitive receptor) proposed south of site | | |
| Public Services | | | |
| 1-14 | <ul style="list-style-type: none"> ▪ fire and emergency medical response assessments requires more detail ▪ concerns about fire, emergency medical and police: all the added usage requires more service, but the City is still staffing at the levels of 1991; the increase in retail would have impact on the need for more fire, emergency medical and police - not just runs but inspections, etc. ▪ disquiet that the police zone is limited on the east side of Monterey; this project would be adding a big area needing service ▪ EIR addresses estimates for the number of police calls but not the number of calls for fire or inspections ▪ when the General Plan was developed it called for looping of the road to Burnett for secondary emergency access | | |
| Transportation & Circulation | | | |
| 1-15 | <table border="0" style="width: 100%;"> <tr> <td style="vertical-align: top; padding-right: 10px;">a</td> <td> <ul style="list-style-type: none"> ▪ shifting of designated 4-lane arterial south of Cochrane from DePaul to Mission View – Is adequate right-of-way on Mission View available?; need discussion of how four lanes will bridge to two lanes north of Cochrane </td> </tr> </table> | a | <ul style="list-style-type: none"> ▪ shifting of designated 4-lane arterial south of Cochrane from DePaul to Mission View – Is adequate right-of-way on Mission View available?; need discussion of how four lanes will bridge to two lanes north of Cochrane |
| a | <ul style="list-style-type: none"> ▪ shifting of designated 4-lane arterial south of Cochrane from DePaul to Mission View – Is adequate right-of-way on Mission View available?; need discussion of how four lanes will bridge to two lanes north of Cochrane | | |

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- 1-15 | b | incompleteness of the assessment of public transit facilities; service is inadequate
c | transportation section assumes diversion at Cochrane with 25% of the traffic coming from Cochrane and 25% off the freeway
d | inconsistent analysis for intersection; furthermore, report not clear regarding additional lanes
e | counts noted in the EIR were taken from a 2004 list of projects from the City [obsolete figures/projects] -- resultant problem loss of years of development causing understatement
f | need to include new courthouse in background analysis
g | baseline development - cutoff dates
h | recent housing developments on Cochrane not reflected in analysis; need cumulative numbers
i | General Plan change must include impact of development
j | impact of traffic if Target site is changed to a large grocery; what is delta for vehicle trips?; could alter trip patterns of the area -- also need to have economic report of such installation have consistency
k | need to address queue depth and weaving movements of people exiting freeway and entering project site
l | traffic analysis should identify areas where thresholds marginally met
m | traffic analysis does not account for housing units allotted to Year 2010
n | substandard streets will be impacted (e.g., Half Road)

Utilities

- 1-16 | - evaluate use of wells for landscape irrigation

Project Alternatives

- 1-17 | - consideration of a supermarket instead of movie theaters
- need to revisit the City's General Plan Goals and policies for consistency
- discuss how well planned project meets objectives; does it address how City's goals for General Plan and economic growth met
- identify 'best mix' for the City while still achieving project goals
- citizens concerns about the proliferation of fast food restaurants; several more proposed here

Commissioners then focused discussion on:

- 1-18 | - potential increase in Target sales
- increase in services for the public
- concern about the downtown lifestyle; it was noticed that dining and entertainment issues for the Downtown should be expanded in the EIR
- ABAG numbers listed in the EIR are faulted with the 'wrong impression' presented
- impact of development of Coyote Valley [will be great and should be considered]
- regarding the table business for the center, it seems the methodology is not consistent (table 9 page 22)
- noise issues

Commissioner Acevedo asked Mr. Kennedy the objective of page 57 appendix H was? Mr. Kennedy responded the table breaks out by detail various categories of retail (data obtained from the CA Board of Equalization. Mr. Kennedy explained he used the Santa Clara County per capita for retail sales and extrapolated a conservative projection for

Comment Letter #1 continued

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Morgan Hill then explained the methodology taking into consideration an increase in population and sales through 2010.

Discussion followed regarding an analysis of square footages and sales establishments. Mr. Kennedy explained that Morgan Hill could have more higher end restaurants with the project as he told of what (revenue and sales tax) can be captured from existing sales.

Chair Lyle stressed the Commissioners are not negative, but have concerns with especially the mix appearing to have dependency on Coyote Valley development.

SP Tolentino explained that the City Council will review all entitlements requested on project.

Ms. Spencer thanked the Commissioners for their comments, promising the consultants will come back with responses to those observations.

4) REQUEST TO SCHEDULE A SPECIAL JOINT PLANNING COMMISSION & ARCHITECTURAL REVIEW BOARD MEETING

CDD Molloy Previsich presented the request to schedule a special joint meeting with the Architectural Review Board (ARB) on September 1, 2005 for consideration of approval of plans for the relocation of the Morgan Hill Historical Museum building. CDD Molloy Previsich explained the museum building needs to be moved off the Civic Center site before the end of August so that survey work can begin for new library site improvement drawings. She stressed the Planning Commissioners need to be involved in the discussion/possible action of this item only.

BY UNANIMOUS CONSENSUS OF ALL COMMISSIONERS PRESENT, WITH BENICH ABSENT, THE MORGAN HILL PLANNING COMMISSION WILL HAVE A JOINT MEETING WITH THE ARB FOR THE PURPOSE OF CONSIDERATION OF APPROVAL OF PLANS FOR THE RELOCATION OF THE MORGAN HILL HISTORICAL MUSEUM BUILDING.

ANNOUNCEMENTS: CDD Molloy Previsich reported the following actions from the recent City Council meeting;

Sunsweet PUD

- * approved with the first reading of the Ordinance and adoption of changes to the General Plan
- * 40 units to the acre; and also no public parking areas would be included in the calculations for the General Plan determinations
- * reduced the requirement for commercial space from 10,000 sf. to 8000 sf., plus additional changes to retail guidelines
- * Conditional Use Permits for office space
- * not 25% for all retail

Holiday Lakes - Unit One to LAFCO for inclusion into the Urban Service Area - Council directed staff to work on eliminating Urban Islands with LAFCO through annexation; Commissioner Mueller and Chair Lyle spoke about an issue with the annexing of the urban islands as related to Measure C requirements. CDD Molloy Previsich advised that LAFCO is offering to do surveys, legal description, waive fees, etc. in an effort to achieve the goal of urban island inclusion.

Chair Lyle asked for staff to further investigate ABAG issues regarding undeveloped lands.

2.0 RESPONSE TO COMMENTS

Response to Letter 1 – Planning Commission Public Hearing

Public Hearing

Leigh Price, Representative of Cochrane Plaza

Response to Comment 1-1

The economic impact report prepared by Bay Area Economics (BAE) predicted what impacts would occur to Cochrane Plaza when the Target store relocated to the proposed project. The Draft EIR assumed that even with implementation of Mitigation Measures 3.9-1, 3.9-2, and 3.9-3, the proposed project has the potential to contribute to closure of existing businesses in the City of Morgan Hill and would result in a high likelihood of urban decay at the Cochrane Plaza shopping center, which would be considered a significant and unavoidable impact.

The City Council would be required to adopt a 'statement of overriding consideration' in which they find that the benefits of the proposed project overcome the environmental burdens created by the significant environmental impacts, such as the significant and unavoidable impact at the Cochrane Plaza shopping center. If the City can't make this finding, then the proposed project would not be approved.

Response to Comment 1-2

Comment noted. Section 3.2, Agricultural Resources in the EIR evaluated the value of the existing agricultural land at the project site. The loss of prime farmland at the project site was found to be significant and unavoidable. The project site is designated 'Commercial' in the *City of Morgan Hill General Plan*. As discussed on page 3.2-9 of the Draft EIR, the project's significant and unavoidable impact to agricultural resources could be avoided by denying the project or by requiring a reduced project, which would prevent the conversion of all or part of the project site to urban uses (A reduction in the size of the proposed project was considered in the Section 4, Alternatives to the Project).

However, this action would not meet the objective of the City of Morgan Hill of developing the project site for a commercial retail center in conformance with the *City of Morgan Hill General Plan*. The *City of Morgan Hill General Plan* contains no policies or implementation programs, which require mitigation or offsets for conversion of prime farmland. As discussed above, the City Council would be required to adopt a 'statement of overriding consideration' in which they find that the benefits of the proposed project overcome the environmental burdens created by the significant environmental impacts, such as the significant and unavoidable impact of converting the farmland to urban use. If the City can't make this finding, then the proposed project would not be approved.

Response to Comment 1-3

The EIR evaluated the air quality and traffic impacts of the proposed project in Section 3.3, Air Quality and in Section 3.12, Transportation and Circulation. As noted in the Draft EIR, the proposed project would generate approximately 22,009 daily weekday automobile trips at full build out of the proposed project. This would subsequently result in weekend emissions of 189 lbs/day of Reactive Organic Gases (ROG), 177 lbs/day of Nitrogen Oxides (NO_x), and 146 lbs/day of Carbon Monoxide (CO). As discussed on page 3.3, air quality emissions associated with the proposed project would exceed the thresholds established by the Bay Area Air Quality Management District (BAAQMD). Even with implementation of Mitigation Measure 3.3-3, which would require the project applicant to prepare a 'facilities trip reduction plan' to reduce single occupant commute trips by employees and promote non-auto travel by employees and patrons, this impact would remain significant and unavoidable.

Mike LaBarbera

Response to Comment 1-4

Commenter spoke regarding the potential impacts to Tennant Station and the movie theatre. An EIR is an informational document. As such the impacts to the movie theatre were evaluated in the Draft EIR and economic impact analysis prepared by Bay Area Economics (BAE) included in Appendix I of the Draft EIR. Section 15131(a) of the California Environmental Quality Act states that "economic or social effects of a project shall not be treated as significant effects on the environment. An EIR may trace a chain of cause and effect from on a project through anticipated economic or social changes to a physical change caused in turn by the economic or social changes. The intermediate or social changes need not be analyzed in any detail greater than necessary to trace the chain of cause and effect. The focus of the analysis shall be on the physical changes." Secondary economic impacts that would cause a subsequent physical impact, or have the potential for urban decay were identified in Section 3.9, Land Use in the EIR. Based on the economic impact analysis prepared by BAE, the proposed project would not result in urban decay at the Tennant Station shopping center if the existing movie theatre were to close.

John DiNapoli and Darryl Browman

Response to Comment 1-5

Comment noted. The project applicant presented information to the Commissioners about the project. No environmental issue was raised and therefore no response is necessary.

2.0 RESPONSE TO COMMENTS

End of Public Hearing

Commissioner Mueller

Response to Comment 1-6

Comment noted. Commissioner Mueller requested clarification on the type of businesses at the project and the need for consistent sequential numbering of store types and pad locations. These items do not raise an environmental issue and therefore no response is necessary.

According to a letter provided by the Target Corporation, the existing Cochrane Plaza location does not meet Target's corporate lifestyle vision and therefore does not meet the objectives of the proposed project. The Draft EIR did not address expansion of the Target store at its existing location, as the proposed project not only consists of the expansion of the Target store, but the construction of approximately 533,450 additional square feet of commercial space. Therefore, expansion of the Target at its existing location was not evaluated as a viable alternative in the Draft EIR that met the project objectives discussed on page 2-17 and 2-18 of the Draft EIR.

Chair Lyle

Response to Comment 1-7

The proposed landscaping plan presented in Figure 2-10 of the Draft EIR includes installation of a berm and planting of shrubs and trees adjacent to Cochrane Road to screen the parking lot from adjacent roadways and land uses. Since publication of the Draft EIR, the landscaping plan has been modified and is included in Section 3.0, Amendments to the EIR. According to the landscape architect, the height of the berm along Cochrane Road will depend on how much fill is generated from grading at the project site, but the intent of the berm and proposed landscaping is to create a buffer between the project site and Cochrane Road.

Response to Comment 1-8

Comment noted. The Metcalf Energy Center, which opened on June 3, 2005, is a 600-megawatt power generation facility built by the San José-based Calpine Corporation located near the intersection of Monterey Road and Santa Teresa Blvd in south San José, approximately ten miles from the project site. The Metcalf Energy Center utilizes natural gas for fuel and delivers approximately 600 megawatts of power to northern California. According to the Bay Area Air Quality Management District (BAAQMD), an air quality impact analysis was performed for the Metcalf Energy Center, which indicated that the attainment or maintenance of applicable Ambient Air Quality Standards (AAQS) for NO₂,

2.0 RESPONSE TO COMMENTS

CO and PM₁₀, which was based on the EPA approved models and calculation procedures and performed in accordance with Section 414 of the District's NSR Rule was met. The effects to the ambient air quality by the Metcalf Energy Center, as measured by the monitoring stations by the BAAQMD, have not been published by the BAAQMD and therefore were not included in the air quality monitoring statistics included in the air quality impact assessment.

Response to Comment 1-9

Comment noted. Installation of permeable concrete may reduce the amount of impervious surfaces at the project site, which would consecutively increase groundwater infiltration and decrease the amount of stormwater runoff from the project site. However, City staff does not support the use of permeable concrete at the proposed parking lot as it is not an established or widely accepted method for addressing stormwater runoff. The long-term reliability of permeable concrete as a pavement surface is not a proven technology. Therefore, City staff does not support introducing a new technology to a project of this magnitude and scale.

Response to Comment 1-10

Comment noted. City staff does not support the use of the existing wells at the project site for municipal use (including for irrigation purposes), due to uncertainties with well reliability and water quality and quantity at the well sites. All city wells are connected to the distribution grid and the system cannot differentiate an irrigation well from a municipal production well. Therefore, in order to protect the integrity of the water system, City staff does not support the use of the existing wells. As discussed in Section 3.7, Hazards and Hazardous Materials in the Draft EIR, these wells would be destroyed prior to commencement of site clearing and general demolition activities pursuant to Mitigation Measure 3.7-3.

Response to Comment 1-11

Please see Response to Comment #1-9 above.

Response to Comment 1-12

As stated in the economic impact analysis, Appendix I of the Draft EIR, prepared by Bay Area Economics, the downtown represents a different market niche, with a focus on locally-owned small businesses rather than national chains, which are not likely candidates for location in downtown Morgan Hill regardless of whether the proposed project is approved and constructed. It offers a location with lower rents and start-up costs for local entrepreneurs. While some of the store types might be duplicative in a general way, downtown Morgan Hill will continue to offer smaller local merchants business locations

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that they could not afford at the shopping centers as well as offering a place to go for Morgan Hill residents who wish to shop at locally-owned businesses or for unique offerings of services or goods not found at chain stores.

Alternatives evaluated in the Draft EIR included those that met the objectives of the proposed project, but reduced environmental impacts identified as significant impacts in the analysis of environmental resources. The objective of the proposed project is to construct a new 123,800 square foot Target store and an additional 533,450 square feet of commercial space, including a mix of retail uses and restaurants. An alternative to place a large grocery store at the location of the existing Target was not considered in the Draft EIR based on the fact that it did not meet the project objectives and that due to the significant hurdles, including voter approval and the large size of the existing Target store relative to what most supermarkets require, would be speculative.

Bay Area Economics first considered short-term population numbers from a private vendor (such as those used by site locators for national retail chains) that were considerably lower than those used in the Draft EIR. In fact, the marketing site for Terranomics, the brokerage leasing space in the proposed project, uses even lower numbers, showing a population decrease for the center's trade area from 2000 through 2013. An examination of housing construction trends in the City of Morgan Hill indicated that these assumptions of population decline or very limited growth were likely incorrect, and at that time BAE, in consultation with City staff, selected the Association of Bay Area Governments (ABAG) projections as the baseline source for population estimates and projections. While the City of Morgan Hill has historically shown an ability to build to its annual cap, there is no guarantee that this will continue into the future, or that household sizes will be maintained at current levels to generate population growth at present rates. While it is very possible that the City of Morgan Hill will show greater growth than projected by ABAG, it is better for the EIR to err on the conservative side, and use a published projection from a respected government source of data. However, the provision of numbers out to 2030 is unnecessarily speculative (and simply unnecessary) and these numbers should be struck from the analysis.

Response to Comment 1-13

According to the noise impact analysis and discussions with Illingworth and Rodkin, Inc., exterior noise levels at this site are currently above the City thresholds for noise sensitive uses such as the approved assisted living facility. A childcare facility would be located at the corner of Mission View Drive and Cochrane Road and a commercial use would be located at the corner of De Paul Drive and Cochrane Road with the assisted living facility located in the center between those two uses. The passive 'outdoor' recreation area for the assisted living facility is located within an enclosed courtyard with a transparent (e.g. glass roof); therefore, most of the exterior uses for this assisted living facility are located indoors.

The project applicant for this facility does propose a wandering path secured by walls. These walls do not function as a soundwall, but would likely attenuate noise at the exterior walkways of the assisted living facility. Based on the features incorporated into the approved assisted living facility, the increase in noise levels at the approved assisted living facility would not be considered significant.

Response to Comment 1-14

The key consideration under CEQA is whether or not a project would result in substantial adverse physical impacts associated with the provision of new or physically altered government facilities of which could cause significant environmental impacts in order to maintain acceptable service ratios, response times, or other objectives. The EIR addresses the need for increased police patrols within implementation of the proposed project. As stated on page 3.11-6 of the Draft EIR, the proposed project would generate an additional eight to twelve additional calls per day (approximately ten percent above existing city-wide demand) and the possible need to hire an additional patrol officer or officers to the police force. However, the increase in service demand would not require the provision of new or physically altered government facilities as the newly constructed police station could accommodate the increased demand.

The project applicant would be subject to development impact fees for public safety facilities, equipment, and training collected by the City of Morgan Hill (Section 3.56.030 of the City of Morgan Hill Municipal Code). Payment of standard development impact fees would provide funds for the maintenance of acquisition of equipment such as patrol cars. However, the use of specific security features, as required by Mitigation Measure 3.11-1 will be sufficient to augment existing police services to reduce service calls to the project site and would reduce this potentially significant impact to a less than significant level.

The Santa Clara County Fire Department was contacted and information was solicited regarding the adequacy of response times, anticipated service/facility demand, and regional emergency vehicle access during preparation of the Draft EIR and Final EIR. Individuals contacted include Ryan Rucker, William Ferguson, Assistant Chief Dirk Mattern (Fire Prevention Division), and Deputy Chief Steve Staump (Operations Division). As of September 29, 2005 the County of Santa Clara Fire Department has not submitted an official response. During the environmental review process, the County of Santa Clara Fire Department received copies of the Notice of Preparation (NOP) and the Draft EIR, and neither commented on these specific issues, however based on discussions with Ryan Rucker in March of 2005, the proposed project would not result in substantial adverse physical impacts associated with the provision of new or physically altered government facilities of which could cause significant environmental impacts in order to maintain acceptable service ratios, response times, or other objectives. As discussed in Section 3.11 of the Draft EIR, a third fire station is planned and will be located adjacent to the new

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South County Courthouse located on Butterfield Avenue. The project applicant would be subject to development impact fees for public safety facilities, equipment, and training collected by the City of Morgan Hill. In addition, the project applicant would be charged for fire inspection services and would be required to install fire suppression system at the project site, subject to review and approval by the City of Morgan Hill.

Response to Comment 1-15

Response to Comment 1-15a

The proposed project shifts the arterial north of Cochrane Road from De Paul Drive to Mission View Drive. De Paul Drive would remain as an arterial south of Cochrane Road, as designated under the General Plan Buildout scenario. General Plan Buildout Conditions, addressing this change in the circulation network, were analyzed in the traffic impact analysis conducted by Fehr & Peers, Inc., which was subsequently included in the Draft EIR.

Response to Comment 1-15b

The EIR identified a potentially significant impact with respect to transit facilities that serve the project site. Mitigation Measure 3.12-7 in Section 3.12, Transportation and Circulation, in the EIR requires that the project applicant construct a new bus stop along the project frontage, including transit amenities, such as a bus turnout, a shelter, and benches. Based on demand, more frequent transit service may be extended to the project area by the Valley Transportation Authority. This mitigation measure has been revised to ensure that the City of Morgan Hill work with the project applicant, Caltrain, and the VTA on ways to increase the frequency and coverage of transit service serving the project area and the nearest Caltrain station.

Response to Comment 1-15c

Comment noted regarding the distribution of traffic. The traffic impact analysis assumed a reduction of 25 percent from diverted link trips from U.S. Highway 101 and pass-by trips from residents located east of the project site along Cochrane Road. The majority of this percentage was comprised of diverted link trips that are traveling along U.S. Highway 101 to use the services at the project site, rather than pass-by trips based on the density of residential uses located east and southeast of the project site.

Response to Comment 1-15d

It is not clear from the commenter, which intersection is inconsistently analyzed and which part of the report was not clear on the number of lanes.

Response to Comment 1-15e

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According to Section 15125(a) of the CEQA Guidelines, the description of the physical environmental conditions of the project site and its surroundings under existing conditions is "as it exists" when the notice of preparation (NOP) is published. The NOP for the proposed project was distributed on November 12, 2004. The environmental setting is therefore based on publication of this notice and a list of cumulative projects supplied by City staff at this time.

Response to Comment 1-15f

The approved project list for the traffic impact analysis was developed in conjunction with City staff. The commenter is concerned about whether or not the South Santa Clara County Courthouse, which would be located at the corner of Diana Avenue and Butterfield Boulevard, was included in the background analysis. This project was not included in the background list. However, based on an analysis of the background plus project conditions, with the South County Courthouse included in the analysis, the proposed project would not have an impact on the Main Avenue/Monterey Road; Main Avenue/Butterfield Boulevard; and the Dunne Avenue/Butterfield intersections with the addition of the trips generated by the proposed project (Personal Communication with Jason Nesdahl, Fehr & Peers, Inc. on September 28, 2005). In addition, according to Jason Nesdahl with Fehr & Peers, the proposed project would not have a significant impact under cumulative conditions at these three intersections. The Dunne Avenue/Butterfield Boulevard intersection would operate at unacceptable conditions at LOS D with the addition of the South County Courthouse under the Cumulative No Project conditions. The proposed project would add additional traffic to this intersection, however, the proposed project would not exacerbate unacceptable operations at this intersection by increasing the delay by 0.01 or more at this intersection. Therefore, the effects of the proposed project at this intersection would not be considered significant according to the standards of significance for signalized intersections presented on page 3.12-10 of the Draft EIR.

Response to Comment 1-15g

As noted in Response to Comment 1-15e, the description of the physical environmental conditions of the project site and its surroundings under existing conditions is "as it exists" when the notice of preparation (NOP) is published, which in the case of the Draft EIR was on November 12, 2004. The environmental setting is therefore based on publication of this notice and a list of cumulative and background projects supplied by City staff at publication and submittal of this notice to the State Office of Planning and Research.

Response to Comment 1-15h

Comment noted. General Plan Buildout Conditions are discussed on page 3.12-30 through 3.12-31 of the Draft EIR.

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Response to Comment 1-15i

Comment noted. Alternatives evaluated in the Draft EIR included those that met the objectives of the proposed project, but reduced environmental impacts identified as significant impacts in the analysis of environmental resources. The objective of the proposed project is to construct a new 123,800 square foot Target store and an additional 533,450 square feet of commercial space, including a mix of retail uses and restaurants. An alternative to place a large grocery store at the location of the existing Target was not considered in the Draft EIR based on the fact that it did not meet the project objectives and that due to the significant hurdles, including voter approval and the large size of the existing Target store relative to what most supermarkets require, would be speculative.

Response to Comment 1-15j

Queuing along Cochrane Road is presented in the traffic impact analysis included in Appendix K and discussed on page 3.12-8 of the Draft EIR. Based on the results presented in the traffic impact analysis, the queuing along Cochrane Road in the vicinity of the project site was determined to be adequate for the proposed project.

As discussed in the traffic impact analysis, with the recommended lane improvements and traffic signal at Cochrane Road/Mission View Drive, only one eastbound left-turn lane would be provided to serve approximately 470 vehicles during the Saturday midday peak-hour. According to the queuing analysis calculations (included as Appendix E in the traffic impact analysis), a queue of 10 vehicles is estimated. This translates into a queue of 250 feet assuming an average spacing of 25 feet per vehicle. The westbound left-turn movement at the Cochrane Road/De Paul Drive intersection during the Saturday peak hour is projected to be less than 10 vehicles per hour. This would result in very short queue lengths (less than two vehicles). Based on queuing for the westbound left-turn at De Paul Drive, the eastbound left-turn at Mission View Drive could accommodate the 250 feet of storage length.

The turn pockets at the Cochrane Road/De Paul Drive intersection were analyzed to estimate the lengths needed to accommodate 'Project Conditions' traffic volumes. The 95th percentile queue was used in determining these estimates. According to the queuing analysis calculations (see Appendix E of the traffic impact analysis), a queue of ten vehicles for each lane is estimated for the eastbound left-turn lane into the project site. This translates into a queue of 250 feet assuming an average spacing of 25 feet per vehicle. The southbound leg of the intersection (on the project site), including left and right-turning vehicles is projected to have a queue of 7 vehicles. This translates into a queue of 175 feet. The volume in the westbound left-turn at Cochrane Road and De Paul Drive has less than ten vehicles per hour under 'Project Conditions.' The estimated queue for this movement is one vehicle length or 25 feet under Project Conditions. This pocket length should be designed in such a way that it could be extended in the future when the Murphy

2.0 RESPONSE TO COMMENTS

Avenue extension is connected to De Paul Drive to the south and Mission View Drive is also connected to Burnett Avenue to the north. According to Fehr & Peers, Inc. queuing distances at the Cochrane Road intersection with U.S. Highway 101 were determined to be adequate with implementation of the proposed project.

Response to Comment 1-15k

The traffic impact analysis and the Draft EIR present the levels of service, as well as the change in the critical volume-to-capacity ratio and the change in the critical delay associated with the proposed project, which would identify how close the proposed project came to the thresholds.

Response to Comment 1-15l

The background and cumulative project list was developed in conjunction with City staff, as discussed in Response to Comment #1-15f.

Response to Comment 1-15m

City staff will need to re-evaluate the designation of Half Road to see if an arterial designation is 'warranted.' City staff will need to evaluate the right-of-way needs and existing improvements. However this will not be done as part of the proposed project.

Response to Comment 1-16

Please see Response to Comment #1-10 above.

Response to Comment 1-17

Comment noted. Section 4.0, Alternatives to the Project, evaluated alternatives to the proposed project. Alternatives evaluated included those that met the objectives of the proposed project, but reduced environmental impacts that were identified as significant environmental impacts. Consistency of the proposed project with the *City of Morgan Hill General Plan* is evaluated within each section of the EIR. According to the project applicant and City staff, the proposed project was designed to meet the project objectives described on page 2-17 and 2-18 of the Draft EIR.

The commenter makes comments about the mix of land uses (e.g. fast food restaurants). Policy 10b in the *City of Morgan Hill General Plan* states "limit repetitive ancillary commercial uses, such as fast-food restaurants and service stations, on lands around all interchanges." The specific fast food restaurants have not been defined by the project applicant. However, the fast food restaurants would be integrated into the overall shopping center and would not consist of stand-alone restaurants. As part of the PUD, the City would limit the number of fast food restaurants within the shopping center. As the

2.0 RESPONSE TO COMMENTS

precise mix of fast food versus sit-down restaurants is not known at this time, as each specific use is proposed at the project site, additional review by the City would be required.

Response to Comment 1-18

The economic impact analysis analyzed the effects of the proposed project on downtown Morgan Hill. Specific comments regarding the downtown are addressed in Response to Comment Letter #2 and Responses to Comment Letter #12.

A specific response to concerns regarding the Association of Bay Area Governments (ABAG) numbers is addressed in Response to Comment 2-15. The impact of Coyote Valley was addressed in Response to Comment Letter #2.

Noise issues associated with the proposed project are addressed in Section 3.10, Noise in the Draft EIR.

Comment Letter #2

R. J. Lyle's Comments on the DiNapoli/Browman EIR

Following are my comments, questions, etc. for the Cochrane – DiNapoli/Browman EIR. To reduce redundancy, I will only comment on the more detailed portions of the EIR. A number of my comments for those sections also apply to similar EIR statements in the Executive Summary and Sections 1 and 2.

Items that I consider to be the most significant are preceded by an "S".

Section 3.1 – Aesthetics:

- 2-1 "S" - Pgs 3.1-11 -13 do not sufficiently address the MH gateway impact of the massive parking lots. Berming is mentioned for the Cochrane Road frontage, but there is no indication of its height & ability to screen unsightly parking. Four to five foot evergreen shrubs are also mentioned, but no indication is given as to whether this is their ultimate height & whether it is sufficient for screening. It is true that the ARB will ultimately provide a review, but I don't believe that the Impact 3.1-1 "less than significant" can be supported without additional screening commitment/assessment now.
- 2-2 3.1-14 should also address the flashing of car lights from parking lots and intersections on the planned medical-related facilities just south of the project site & north of the existing DePaul medical facility.

Section 3.3 – Air:

- 2-3 "S" - This section needs to incorporate the polluting effects of the newly online Calpine Metcalf power plant, Table 3.3-5 for example. The power plant's pollutants need to be added to existing levels to estimate air quality in the project time frame. Tables may need to be updated & then mitigations reassessed, including adding in the values in Table 3.3-4 to assess air quality with the project.
- 2-4 MM 3.3-3 on 3.3-18 is overly optimistic with respect to trip reductions. The existing bus service is far too infrequent (hourly service & no evenings or week-ends) to attract many riders and there are too few homes within walking or biking distance.
- 2-5 Pg 3.3-5 (nit). Watsonville's distance & location on the other side of the mountains preclude it from being a valid air reference point for MH. Also, the reference to prior ozone levels in San Martin may no longer be pertinent because of the new power plant.
- 2-6 Pg 3.3-19 needs to add an assessment for additional sensitive receptors in the area. An assisted living project is about to get under way north of the DePaul Health Center, and other health-related facilities are planned there.

- 2-7 Section 3.4 – Biology: No comment other than the 250 foot radius in MM3.4-2 seems high.

- 2-8 Section 3.5 – Culture: No comment other than the nit that pg 3.5-4 figure references are incorrect.

Section 3.6 – Geology:

- 2-9 "S" – This section needs to assess the use of permeable concrete as a viable mitigation since most of the site is moderately permeable. It could potentially reduce parking lot flooding and the size & depth & bank instability of the detention basins. It would also help preserve the local water table.

Section 3.7 – Hazards:

- 2-10 The wells should be assessed for City use and especially project irrigation. This could change/reduce project mitigation & also beneficially affect the City's water system.

Section 3.8 – Water:

- 2-11 "S" - Again, this section should address the feasibility of permeable concrete. It could significantly help with the mitigations & regulatory/permitting issues addressed in this chapter. It would also be beneficial to the local water table.

Section 3.9 – Land Use & Planning:

- 2-12 "S" - Pg 3.9-11-16. This "lifestyle" center's dining and entertainment objectives are the same as for MH's downtown. The downtown is currently not doing well. It seems incorrect to assume that a project with similar objectives will not potentially have a negative, and possibly devastating, effect on the downtown. Even some of the secondary stores mentioned as possibilities for the project duplicate those currently located in the downtown. More assessment is warranted.
- 2-13 "S" 3.9-12. The discussion on restaurant impact should be broadened to include an assessment of community-wide impact if the 6 new fast food establishments overly duplicate existing chains, versus the impact should they be for underrepresented chains. The Cochrane Road restaurant discussion should also specifically address the 2 new restaurants now under construction there.
- 2-14 "S" – Pgs 3.9-13-15. Even though MH voters would have to approve it, the EIR should evaluate the feasibility of replacing most of the Target space with a grocery store and assess what effect this would have on Cochrane Plaza & its mitigations. A grocery here is now more feasible since the first 64 of 230+ housing units have now been approved on Cochrane east of Monterey, and many more east of Mission View.

Appendix for Land Use and Planning:

- 2-15 "S" - Pgs 6 bottom, & Table 3. The population estimates for 2020 & 2030 are erroneous (too low), distort long term analysis, & could dissuade stores from locating in the project or elsewhere in MH. ABAG appears to have NOT yet reflected MH's new General Plan or its new RDCS. The GP & RDCS are driving towards an easily achievable 48,000 population in 2020. Adding about 4500 (the typical recent historical value) for SOI residents not included in the City's pop would yield a 2020 SOI pop of 52,500, NOT the 48,900 shown. The 2030 numbers in Table 3 should be struck, 2030 is too far out for any reasonable estimate. If a number has to be used, a reasonable one for MH would be 55,500 +4500 = 60,000. Gilroy probably should also have higher numbers. (Some communities in SC County may see such a drop-off in pop growth in the 2010 to 2030 time frame because of insufficient new residential land to develop or because of a drop in persons/household, but this is NOT the case for MH.) The

Comment Letter #2 continued

target trade area pop numbers should also be included in Table 3 to show long range potential market pop, even though it would mean estimating how much Coyote Valley would develop by 2020 (& 2030 if that year is kept in the table).

2-16

Pgs 14, 17 etc. (nit) The drop in merchandise sales could also reflect the closure of K-Mart.

2-17

Pgs 20 & 21. The page 20 narrative mentions the opening of Home Depot. Since Building Materials is a key component of the project, Figure 10 should be updated to reflect more recent data if it is now available, or estimated if it is not. Figure 10 also has an incorrectly-labeled axis (nit).

2-18

"S" - Pg 22 Table 9. What is the basis for the "capture" percentages? Some appear to be rounded assumptions (25, 50, 90), others appear to be mathematically determined (74.7, 56.3; etc.). More importantly, what store mix (including restaurants) would provide a greater capture & how would that mix affect the project's potential for urban decay in MH's existing shopping areas & the downtown? This optimal capture store mix should also address what would likely attract the most business from Coyote Valley development, an area that many consider likely to start developing not long after this project completes.

2-19

"S" - Pgs 23 & 24 & Tables. Using a 100% capture ratio allows for the calculation of POTENTIAL, but it seems unrealistic to calculate supportable SF on any percentage higher than the sum of the current rates plus the additional capture info in Table 9. One example that belies the use of 100% is the narrative on pg 23 which indicates a strong demand for eating & drinking places, but NOT the fast food establishments which dominate this project. How would using a lesser percentage affect the economic conclusions?

2-20

"S" - Pgs 23 - 28, 40, 42. As mentioned earlier, many of the retail store types mentioned on these pages are already represented in the downtown, & the "lifestyle center" objectives largely overlap with those for MH's downtown. It seems reasonable that such a center would impact the downtown. The analysis on pg 40 implies that downtown restaurants are "coexisting" well. This assumption is NOT generally valid. Pg 40 also states that the project tenants are unknown & it would be "speculative" to assess their impact on the downtown, but the potential project stores mentioned & the similarity of objectives argue for a stronger analysis of the impact on downtown MH & its hoped-for growth. Downtown should also be included in the urban decay assessment which starts on pg 42.

2-21

Pg 30. The issue of this project potentially overserving existing MH restaurant chains should be addressed.

2-22

Pg 31 (nit): It would be more accurate to say that trade area population will be gradual until the Coyote Valley develops.

2-23

Pg 38. There are 2 additional restaurants under construction on Cochrane which should be included in this analysis. Lyons has been replaced (nit).

Section 3.10 - Noise:

2-24

Table 3.10-1 (nit): There are duplicate entries in this Table.

2-25

3.10-3, 4, 13, 14, & 17. There are additional sensitive receptors that need to be evaluated for noise impacts (see 3.3-19 above).

Section 3.11 - Public Services:

2-26

"S" - 3.11-2, 6, & 7. The fire/emergency medical unit response assessment needs more detail to support its conclusions, particularly impact 3.11-2. What is the expected number of fire/EMU calls for this project? Would the extra load significantly accelerate the date for the 3rd MH station? Is the expected fire/EMU response time within City goals, and for more than one station? (El Toro is closest, but it is also the busiest & this could result in the project being serviced by a station which does not meet the City's response standard). How strong is the need to extend Mission View Dr. north of the project to make a Burnett connection for backup fire support from San Jose in case Cochrane is blocked? This northerly connection was included in the General Plan & there was discussion at the time indicating that when this area was developed that that would be the appropriate time for such a northerly connection.

2-27

3.11.3. (nit) Sobrato is also a nearby school.

Section 3.12 - Transportation & Circulation:

2-28

"S" - General comment on the traffic analysis. Traffic counts for "existing" conditions were based in 2004 (Pg 8 of Appendix K). The first phase of the project completes 9/07. This is 3 years from the 2004 traffic counts so 3 years of home completions should be used to establish "background" conditions, but only 2 were used. "Cumulative" analysis should reflect the final build-out of the project in 2010. This is 6 years from the base traffic count year, but only 3 years of additional housing was used for the analysis. I believe the disparities are largely because the City's list did not yet reflect the allotments awarded on 3/1/05. In past traffic reports large time lapses from measurement were resolved through adjustments & this is particularly easy to do for housing. The very large Courthouse (2006 completion) also needs to be included in the analysis. My primary concern is updating the Cochrane area numbers since this area received many recent residential allotments & is the area closest to the project. Mitigations could be affected. Estimating additional non-residential development should also be done.

2-29

3.12-8 (nit). It's a stretch to say that any route other than 16 is "in the project vicinity".

2-30

"S" - 3.12-14 top of page, and MM 3.12-1b. This project shifts the designated 4-lane arterial south of Cochrane from DePaul to Mission View. Is there adequate right of way on Mission View for a 4 lane configuration? The number of lanes and their configuration needs to be set up to accommodate a 4 lane arterial. The pavement width north of Cochrane also needs to be evaluated for the initial and ultimate time frames, including the pavement width needed for transitioning from 4 lanes down to 2 north of Cochrane. Changing this alignment may also shift more of the traffic south of Cochrane in the project vicinity to some very substandard roads such as Half Road & require mitigation.

2-31

"S" - Pg 3.12-22 Impact 3.12-7. The assessment of public transit facilities is incomplete. The current service is inadequate for this project. There is no evening or week-end service & most City residents would require transfers from other low-service lines to reach the site. For transit to be effective (& get the 2% reduction claimed on 3.3-18) the service would have to be substantially enhanced & this would then violate the first impact listed under Transit Facilities on 3.12-11. It's not just a function of whether the buses have sufficient capacity, it's also a function of whether they run sufficient hours & with sufficient frequency & other-line connectivity to effectively attract passengers. Either Public Transit needs additional mitigation or it is NOT reduced to a less than significant impact.

Appendix K. for Transportation & Circulation:

Comment Letter #2 continued

- 2-32 — Pg 8. The peak hours mentioned here may not be correct for MH.
- 2-33 — Pg 18. The Monterey Road/Main Ave. storage pocket plugs in the p.m. The 2006 Courthouse will exacerbate "pocket-plugging" in both the a.m. & p.m.
- 2-34 | Pg 32 Table 8. Note 7 for Cochrane Road/Mission View indicates the addition of lanes, but no signal. Why isn't it signalized to remove the "F" level service? Pg 34 says it is. Perhaps the note & the service level in the table are in error.
- Appendix E. Queuing Analysis:
- 2-35 | What stacking distances are being supplied & how often are they likely to be exceeded? This is an area that was not really discussed. The table for Cochrane/DePaul Saturday eastbound in particular appears to indicate a potential problem. Even though the lineal distance is greater here than at Dunne/Condit/101, does DePaul/Cochrane/101 have a similar lane crossing & plugging problem?
- 2-36 | Section 3.13 – Utilities: Were downstream wastewater trunk capacities analyzed & found to be sufficiently-sized?
- Section 4.4 – Project Alternatives:
- 2-37 | "S" - There is another alternative worth evaluating: a supermarket INSTEAD of movie theatres. This alternative has several advantages: 1) It satisfies a General Plan & community need. 2) It eliminates 657 (857 – 200 per pg 4-12) parking spaces! (This substantial parking reduction could be used to have a smaller, more environmentally friendly project; or the space could be used for additional retail which hopefully would help with the recapture problem.) 3) It would eliminate the impact on Tennant Station.
- 2-38 | "S" – Table 4-3 is incomplete without a substantive analysis of how well the proposed project meets the project's objectives on pgs 2-17 & 18, and the City's General Plan Goals and Policies on pgs 3.9-4 & 5. The projected store mix does not appear to meet a number of the economic objectives and General Plan Goals as well as a more complementary mix would. The current mix is also substantially at odds with Policy 10b with respect to fast food restaurants. Many people feel MH is oversaturated with fast food establishments & this project is contemplating SIX more, and potentially even the same chains currently well-represented in the community.

Ralph J. Lyle

2.0 RESPONSE TO COMMENTS

Response to Letter 2 – Commissioner Ralph J. Lyle – August 11, 2005

Response to Comment 2-1

Analysis of aesthetics under the California Environmental Quality Act (CEQA) focuses on adverse impacts to a designated scenic vista and/or degradation of the visual character of the project site and its surroundings. As discussed in Response to Comment 1-7, the proposed landscaping plan presented in Figure 2-10 of the Draft EIR includes installation of a berm and planting of shrubs and trees adjacent to Cochrane Road to screen the parking lot from adjacent roadways and land uses. Since publication of the Draft EIR, the landscaping plan has been modified and is included in Section 3.0, Amendments to the EIR. According to the landscape architect, the height of the berm along Cochrane Road will depend on how much fill is generated from grading at the project site, but the intent of the berm and proposed landscaping is to create a buffer between the project site and Cochrane Road.

Response to Comment 2-2

The majority of the traffic would enter and exit the project site from the main entrance at the intersection of De Paul Drive/Cochrane Road, however access to the project site would also be provided by the proposed Mission View Drive/Cochrane Road intersection. According to the site plan for the assisted living facility, a commercial/office use would be located at the southeast corner of the De Paul Drive/Cochrane Road intersection and a day care facility would be located at the southwest corner of the Mission View Drive/Cochrane Road intersection. The approved assisted living facility would be located between these two uses. The flashing of car lights from cars entering and exiting the project site would primarily occur during the evening hours as cars are waiting at these two intersections for the traffic signal to change. The day-care facility and the commercial/office use would likely be closed during the evening hours. The assisted living facility is set back from Cochrane Road away from the intersections and would be removed from the flashing of headlights along the roadway. Therefore, the flashing of headlights would be considered less than significant at these uses.

Response to Comment 2-3

See Response to Comment 1-8 regarding the effects of the Calpine Metcalf power plant on the ambient air quality.

Response to Comment 2-4

Mitigation Measure 3.3-3 *estimates* the total reduction in emissions with implementation of the trip reduction plan. However, even with a slight reduction in the amount of air pollution with incorporation of these mitigation measures, the increase in the long-term

2.0 RESPONSE TO COMMENTS

operational air emissions associated with the proposed project would be significant and unavoidable. The Draft EIR identified a potentially significant impact with respect to transit facilities that serve the project site.

As discussed in Response to Comment #1-15, Mitigation Measure 3.12-7 in Section 3.12, Transportation and Circulation, in the EIR requires the project applicant to construct a new bus stop along the project frontage, including transit amenities, such as a bus turnout, a shelter, and benches. Based on demand, more frequent transit service may be extended to the project area by the Valley Transportation Authority. Mitigation Measure 3.12-7 has been amended to ensure that the City of Morgan Hill work with the project applicant, Caltrain, and the VTA on ways to increase the frequency and coverage of transit serving the project area.

Response to Comment 2-5

Comment noted. The Watsonville and Hollister monitoring station mentioned on page 3.3-5 of the Draft EIR were referenced as the two closest stations which monitor respirable particulate matter (PM₁₀), as the air quality monitoring stations closest to the project site do not monitor respirable particulate matter. See Response to Comment #1-8 regarding the Calpine Power Plant.

Response to Comment 2-6

The assisted living facility noted by the commenter would be located south of the project site along Cochrane Road between De Paul Drive and Mission View Drive. The assisted living facility is discussed in Response to Comment 1-13.

Localized concentrations of Carbon Monoxide (CO) are the primary concern for sensitive receptors as noted on page 3.3-19 of the Draft EIR. Typically areas of high CO concentrations or "hot spots" are associated with signalized intersections operating at poor levels of service (LOS E or worse). The two intersections, Mission View Drive/Cochrane Road and the De Paul Drive/Cochrane Road intersections located in the vicinity of the project site would operate at acceptable levels of service with the installation of traffic signals at these two intersections. Predicted 8-hour worst-case CO levels were measured at the intersections of Cochrane Road with U.S. Highway 101 and impacts were found to be less than significant.

Response to Comment 2-7

Comment noted. Based on a personal communication with Jessica Nadolski, Conservation Biologist with PMC who prepared the biological resource analysis for the propose project, the 250 feet distance may be reduced to 100 feet in consultation with the project biologist

2.0 RESPONSE TO COMMENTS

to meet the requirements described in Mitigation Measure 3.4-2. This mitigation measure has been revised to reflect this reduction.

Mitigation Measure 3.4-2 on page 4.3-29 of the Draft EIR has been revised as follows:

MM 3.4-2 If proposed construction activities are planned to occur during the nesting seasons for local avian species (typically February 1st through August 31st), the project applicant shall retain a qualified biologist approved by the City to conduct a focused survey for active nests of raptors and migratory birds within and in the vicinity (i.e., any suitable breeding habitat in accessible parcels adjacent to the project area that the biologist deems could be disturbed by construction activities) of the construction area no more than 30 days prior to ground disturbance. If active nests are located during preconstruction surveys, construction activities shall be restricted as deemed necessary by the qualified biologist to avoid disturbance of the nest until it is abandoned or the biologist deems disturbance potential to be minimal. Restrictions may include establishment of exclusion zones (no ingress of personnel or equipment at a minimum radius of 250-100-feet or as determined by a qualified biologist around the nest) or alteration of the construction schedule. No action is necessary if construction will occur during the nonbreeding season (generally September 1st through January 31st).

Response to Comment 2-8

Comment noted. Figures noted on page 3.5-4 of the Cultural Resources section of the EIR should be 3.5-2A, 3.5-2B and 3.5-2C. The second paragraph on page 3.5-4 of the Draft EIR has been modified as follows:

The primary structure is similar to the previously mentioned primary residence, however, it was built in 1912 and has a side entrance and square bay window in the rear. There are six structures associated with this residence, including two wood-sided barns, a wood-sided shed, a metal-framed hay barn, a pump house and a restroom. The hay barn and restroom were constructed in the 1970's or 1980's when the property was an equestrian boarding facility. The age of the other structures is uncertain and did not consist of any unique design or construction. All buildings lacked maintenance. Photographs of this residence and associated outbuildings are shown in **Figures ~~23.5-2A~~, ~~23.5-2B~~, and ~~23.5-2C~~**.

Response to Comment 2-9

Commenter requests that Section 3.6, Geology and Soils, of the Draft EIR assess the use of permeable concrete within the parking lots of the proposed project. City staff does not

2.0 RESPONSE TO COMMENTS

support the use of permeable concrete at the proposed parking lot as it is not an established or widely accepted method for addressing stormwater runoff. The long-term reliability of permeable concrete as a pavement surface is not a proven technology. Therefore, City staff does not support introducing a new technology to a project of this magnitude and scale.

Response to Comment 2-10

Please see Response to Comment #1-10.

Response to Comment 2-11

Commenter notes that Section 3.6, Geology of the Draft EIR assess the use of permeable concrete within the parking lots of the proposed project. As discussed in Response to Comment 1-9, City staff does not support the use of permeable concrete at the proposed parking lot.

Response to Comment 2-12

See Response to Comment #1-12 and Response to Comment #13-1.

Response to Comment 2-13

Further clarification from the project applicant and the City of Morgan Hill on the types of restaurants under consideration, would be necessary to determine the community-wide impacts if the six new fast food establishments duplicate existing chains that are located in the City. This information has not currently been provided by the project applicant and was not available at the time of preparation of the economic impact analysis conducted by BAE and is not anticipated to create a secondary economic impact.

Response to Comment 2-14

Alternatives evaluated in the Draft EIR included those that met the objectives of the proposed project, but reduced environmental impacts identified as significant impacts in the analysis of environmental resources. The objective of the proposed project is to construct a new 123,800 square foot Target store and an additional 533,450 square feet of commercial space, including a mix of retail uses and restaurants. An alternative to place a large grocery store at the location of the existing Target was not considered in the Draft EIR based on the fact that it did not meet the project objectives and that due to the significant hurdles, including voter approval and the large size of the existing Target store relative to what most supermarkets require, would be speculative.

2.0 RESPONSE TO COMMENTS

Response to Comment 2-15

Since the Draft EIR is an informational document and not a marketing document, it is not likely that the low population estimates will dissuade retailers seeking a Morgan Hill location. In fact, these estimates are high relative to what many retail site locators might see. Bay Area Economics first considered short-term population numbers from a private vendor (such as those used by site locators for national retail chains) that were considerably lower than those used in the Draft EIR. In fact, the marketing site for Terranomics, the brokerage leasing space in the proposed project, uses even lower numbers, showing a population decrease for the center's trade area from 2000 through 2013. An examination of housing construction trends in Morgan Hill indicated that these assumptions of population decline or very limited growth were likely incorrect, and at that time BAE, in consultation with City staff, selected the Association of Bay Area Governments (ABAG) projections as the baseline source for population estimates and projections. While the City of Morgan Hill has historically shown an ability to build to its annual cap, there is no guarantee that this will continue into the future, or that household sizes will be maintained at current levels to generate population growth at present rates. While it is very possible that the City of Morgan Hill will show greater growth than projected by ABAG, it is better for the EIR to err on the conservative side, and use a published projection from a respected government source of data. Even using higher population estimates would only marginally increase the leakage analysis and would not change the basic premise of this analysis. However, the provision of numbers out to 2030 is probably too speculative and simply unnecessary and these numbers should be struck from the analysis.

It was decided not to attempt to estimate the Target trade area numbers long-term, precisely because it would be "guesstimating" given the high factor of unpredictability regarding Coyote Valley. While a policy change by the City of San José might lead to earlier construction of new housing, the City of San José, in looking out for its own fiscal interests, could also change its policies regarding the construction of region-serving retail, and thus capture a significant portion of the retail expenditures that might otherwise go to the City of Morgan Hill. Additionally, the production of a large number of housing units directly north of the City of Morgan Hill could have unpredicted effects on housing demand in Morgan Hill itself, leading to lower rates of population growth.

Response to Comment 2-16

Comment noted. The closure of the K-Mart should have been noted in the economic impact analysis as being a factor, along with the new stores opening in the City of Gilroy, although the beginning of the decline predates its closure. Almost as interesting is the limited level of decline in 2003, although the store closed early that year. There was likely good reason this store was selected for closure, and the Morgan Hill Target probably captured a good portion of their sales.

Response to Comment 2-17

More recent data in a comparable form is not available. In doing its supportable square footage analysis, however, Bay Area Economics reviewed more recent sales tax data from the city (in a different format so trending was not possible), and noted that sales had increased dramatically in this category following the opening of the Home Depot store and expansion of Johnson Lumber; it should also be noted that sales tax reporting data lags by approximately four to six months. The demand analysis, as shown in Table 9 of the economic impact analysis (Appendix I in the Draft EIR) and elsewhere, takes into account the opening of the Home Depot. The y-axis label in Figure 10 in the economic impact analysis should read "Taxable Building Improvement Store Sales" rather than "Taxable Restaurant Sales."

Response to Comment 2-18

The "mathematically determined" percentages are based on rounded percentages from Appendix G, where due to data disclosure rules from the State Board of Equalization not all capture rates can be presented. Table 9 in the economic impact analysis presents the data in a more summarized form, where the weighted averages calculated from Appendix G can be presented. The more rounded numbers are percentages that come directly from Appendix G where aggregation of categories was not done.

Bay Area Economics used a capture rate of existing sales based on the types of tenants typical of a new, high-quality retail center of the type proposed. Many of the specific tenants are unknown, so it would be highly speculative to do more than this general set of assumptions regarding capture of existing retail potential. Also, Bay Area Economics uses industry benchmark to estimate demand without taking into consideration consumer buying patterns or the sales goal for a particular retail store.

Response to Comment 2-19

The capture of additional existing sales in Table 9 (p.22) of the economic impact report is based on the presence of new or improved store types allowing the City of Morgan Hill to capture sales that would "leak" out of the city under current conditions (i.e., without the new center); capture of additional sales from population growth is a separate analysis and represents an overall capture rate and thus can be higher than the capture of leakage only or current capture rates. For some categories, it is not an unreasonable assumption that the City of Morgan Hill should capture 100 percent of new sales, for instance, for fast food restaurants, most of the demand is going to be local, and to the extent that some local resident sales occur elsewhere, this will be replaced by sales to non-residents driving on Highway 101. For some other categories, 100 percent capture of the increment of new sales might seem high, but as the population grows and reaches "critical mass" for new

2.0 RESPONSE TO COMMENTS

store types, and the City of Morgan Hill can capture sales from outside the trade area, it may achieve capture rates of 100 percent or even higher.

Response to Comment 2-20

While based on similar objectives, it may seem possible that the opening of the proposed project may preclude certain opportunities. However, in reality it is extremely unlikely that the types of tenants that will be attracted to this new center would choose to locate in downtown Morgan Hill in the absence of this center. This center will attract national and regional chain tenants able to pay higher rents, as contrasted to downtown with lower rents affordable to local and start-up businesses. Furthermore, the analysis considers impacts on existing conditions for downtown or future projects that are currently foreseen, not those that may merely be indicated by objectives by the City. As a result, Bay Area Economics does not believe that the potential for urban decay resulting from the proposed project is considered significant.

Response to Comment 2-21

See Response to Comment #2-19 regarding the proposed project's impact on Morgan Hill's restaurant chains.

Response to Comment 2-22

Relative to the "lumpy" nature of big-box retail additions, the effect of Coyote Valley development will still be gradual as not all units will be constructed and occupied simultaneously. Furthermore, if residential development in Coyote Valley remains tied to achievement of various job thresholds, growth may still be more "gradual."

Response to Comment 2-23

See Response to Comment 2-19 and Response to Comment 2-20 above regarding restaurants. The economic impact of the additional restaurants would have a minimal impact on the overall analysis. The development of the two restaurants off Cochrane Road began after the EIR work was started.

Response to Comment 2-24

Comment noted. The duplicate entry for Frequency, HZ has been stricken from Table 3.10-1 by reference.

Response to Comment 2-25

Comment noted. See Response to Comment 1-13 regarding the assisted living facility. The first paragraph on page 3.10-4 has been modified to address the approved assisted living facility.

Sensitive receptors in the vicinity of the project site include two single-family homes located south of the project site along Cochrane Road; single family homes at the corner of Cochrane Road and Mission View Drive located approximately 100 feet from the southeast corner of the project site; several rural residential homes located approximately 1,000 feet north of the project site on Peebles Avenue; an approved assisted living facility and day care center located approximately 100 feet south of the southern border of the project site; and residential homes located 1,300 feet east of the project site along Peet Road.

Response to Comment 2-26

See Response to Comment #1-14 regarding police and fire service impacts. During the update of the *City of Morgan Hill General Plan*, there were discussions regarding the connection of Burnett Avenue to Mission View Drive. However, no policies or action statements were added to the General Plan to address this issue. The traffic impact analysis and Section 3.7, Hazards and Hazardous Material in the Draft EIR did not indicate that the proposed project would impair or physically interfere with an adopted emergency response plan or emergency evacuation plan. Therefore, the proposed project would not require extension of Mission View Drive for emergency access.

Response to Comment 2-27

Comment noted. Sobrato High School is located at 401 Burnett Avenue approximately two miles northwest of the project site across U.S. Highway 101.

Response to Comment 2-28

See Response to Comment #1-15g.

Response to Comment 2-29

Comment noted. No response is necessary.

Response to Comment 2-30

Comment noted. See Response to Comment #1-15a.

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Response to Comment 2-31

The impact of the proposed project on public transit facilities is discussed in Impact 3.12-7 not in Impact 3.12-11 as noted by the commenter. See response to Comment 1-15.

Response to Comment 2-32

The analysis of peak hour traffic conditions were evaluated based on standard practice in consultation with the City of Morgan Hill Public Works Department.

Response to Comment 2-33

The commenter notes that the Monterey Road/Main Avenue operates at unacceptable levels of service in the PM peak hour and notes that the County of Santa Clara Courthouse would, in his opinion, exacerbate this condition. Under Background Plus Project, the Main Avenue/Monterey Road intersection would operate at LOS C during the AM and PM peak hour and at LOS C+ during the Saturday peak hour. The impact of the South County Courthouse would add 50 trips to this intersection during the AM peak hour and 37 trips during the PM peak hour. With the addition of these trips, this intersection is not anticipated to operate at an unacceptable level of service (Personal Communication with Jason Nesdahl with Fehr & Peers, Inc. on September 27, 2005).

Response to Comment 2-34

Comment noted. Mitigation Measure 3.12-1b would require the project applicant to install a traffic signal with proposed left-turn phasing on all approaches in order to increase the level of service within acceptable levels of service.

Response to Comment 2-35

The commenter is concerned about what stacking distances were being supplied and how often they are likely to be exceeded. Queuing along Cochrane Road is presented in the traffic impact analysis included on page 39 of Appendix K and discussed on page 3.12-8 of the Draft EIR. This issue is also addressed in Response to Comment #1-15j.

Response to Comment 2-36

The proposed project would be consistent with the *City of Morgan Hill Sewer System Master Plan* and based upon discussions with City staff, the downstream wastewater trunk capacities were found to be sufficient for the proposed project.

Response to Comment 2-37

Alternatives to the proposed project were selected that met the project objectives, but that avoiding or reduced subsequent impacts associated with the proposed project. As one of the objectives of the proposed project was "to create an atmosphere of fun, entertainment, and relaxation for customers in addition to a shopping experience" the proposed cinema was included in the project description, as well as in the alternatives, as it met the project applicants objectives, as well as presenting a "worst case" analysis for the purposes of the environmental review.

Response to Comment 2-38

Table 4-3, Comparison of Alternatives to the Proposed Project describes the consistency with the project's objectives under "Consistency with Project Objectives," the last row on the table on page 4-23 of Section 4.0, Alternatives to the Project. Consistency with the *City of Morgan Hill General Plan* is discussed within this section. The proposed project has been designed to meet the objectives described on pages 2-17 and 2-18 of the Draft EIR.

Policy 10b in the *City of Morgan Hill General Plan* states "limit repetitive ancillary commercial uses, such as fast-food restaurants and service stations, on lands around all interchanges." The specific fast food restaurants have not been defined by the project applicant at this time. However, the fast food restaurants would be integrated into the overall shopping center and would not consist of stand-alone restaurants. As part of the PUD, the City would limit the number of fast food restaurants within the shopping center.

Comment Letter # 3

1455 Sherbrooke Street West, Suite 2703
Montréal, Québec H3G 1L2
August 16, 2005

Rebecca Tolentino, Associate Planner
City of Morgan Hill
17555 Peak Avenue
Morgan Hill, California 95037-4128

Re: Cochrane Road Planned Unit Development
Environmental Impact Report

Dear Ms. Tolentino:

I read with great interest and attention the entire Environmental Impact Report. My enumerated comments and suggestions that follow relate to the plan in general; then there is a brief discussion of the negative impact on my 20 acres located directly east of and adjacent to the site, APN 728-36-006 and APN 728-36-001. The extension of Mission View Drive north of Cochrane is of the greatest significance to me since it will have the most immediate effect. I have, therefore, included a list of requests that will mitigate damages to me.

- 3-1 1. Though I understand why the City, the owners of the site and its developers want the project, I have empathy for the owners and tenants of existing shopping centers in Morgan Hill who may subsequently suffer from the competition. I also have questions about the future status of Downtown.
- 3-2 2. The concept of a "pedestrian-oriented lifestyle design" is trendy. I don't see, however, how the project as presented will meet that goal. Shoppers want both efficiency and a pleasurable experience. Unless the Center is distinctive and inviting, it will not appeal to customers who already have many choices available to them in Gilroy and San José, and those choices will soon increase. People travel from San Francisco and the Peninsula to Gilroy for discount shopping and to the Stanford Shopping Center for high-end merchandise. What will be Morgan Hill's attraction?
- 3-3 3. The selection of anchors will influence the decisions of retailers and other tenants to locate there. Duplicating what is already nearby will not create a Destination Center.
- 3-4 4. I was deeply disappointed by the Site Plan [Figure 2-8] and the Conceptual Elevations [Figure 2-9]. The overall impression is of a park for automobiles. The architectural style is derivative and does not reflect the new spirit of Morgan Hill as an aspiring, progressive community. Morgan Hill deserves better. When I visited in July, I was pleasantly surprised by the imaginative plan and look of the Industrial Park and by the quality of the recently built homes and those under construction on both sides of Cochrane. Surely the Shopping Center could be more innovative.
- 3-5 5. When Mission View Drive is extended farther north, the northeastern Gateway to Morgan Hill will be uninviting and visually unattractive unless special attention is devoted to the screening wall and landscaping behind the anchors.

Comment Letter # 3 continued

3-6 | 6. Instead of a large supermarket, a smaller grocery such as Whole Foods or Trader Joe's will be more suitable.

3-7 | 7. Space allocated for parking could be reduced by a multi-level garage, thereby allowing greater areas for plazas, shady spaces and cultural programs that would achieve the City's goal of enhancing "fun, entertainment, and relaxation".

3-8 | As planned, the extension of Mission View Drive will occupy about 10% of my property and remove income-producing vines. I am apprehensive that additional land may be necessary for the reconfiguration of the intersection of Mission and Cochrane, for a traffic signal, and possibly for a bus stop and shelter. Years ago, as part of the Cochrane Road Assessment District, I was assessed when a sewage line was installed, though no hook-ups have been permitted. In 1998, when Mission Ranch was developed, the City required a portion of my property to widen Cochrane Road. As yet, I've derived no benefit from any of those projects.

3-10 | The EIR proposes a zoning change and General Plan Amendment for the PUD but its construction will adversely affect my adjoining parcels with their designation of R-1 for both the City land and for the County land within the City's sphere of influence. With that zoning, my land will be devalued. Single-Family medium density will become a less desirable location because of the proximity to a Regional Shopping Center that, as cited in the EIR, will increase traffic, noise and spillover lighting. When the General Plan will be reviewed in the future, a transitional zone with R-2 or mixed commercial-residential would be more appropriate.

3-11 | Having spoken to real estate developers, the tax assessor, insurance agents and LAFCO, I request mitigation measures that:

❖ Mission View Road be extended on the property that will profit from it -- the 66.49 acres of the project in contrast to my diminishing vacant and agricultural acres;

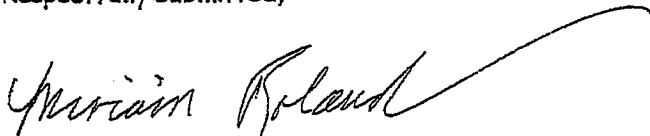
3-12 | ❖ the land for the road and other improvements be purchased at a fair price;

3-13 | ❖ the City annex the County portion without my making a formal application;

3-14 | ❖ the City accept the dedication of the road.

Thank you for the opportunity to comment. I hope that my suggestions will be useful and that my requests will meet with your approval.

Respectfully submitted,



Miriam Roland

2.0 RESPONSE TO COMMENTS

RESPONSE TO LETTER 3 – MIRIAM ROLAND – AUGUST 19, 2005

Response to Comment 3-1

Comment noted. The impact of the proposed project on downtown Morgan Hill is discussed in the Draft EIR and in Response to Comment #2-12.

Response to Comment 3-2

Comment noted. The commenter is concerned about the proposed project design and does not raise an environmental issue. No response is necessary.

Response to Comment 3-3

Comment noted. The commenter is concerned about the retail anchor stores and does not raise an environmental issue. No response is necessary.

Response to Comment 3-4

Comment noted. The commenter is concerned about the project design and does not raise an environmental issue. No response is necessary. New elevations have been prepared since publication of the Draft EIR and are available for review at the City of Morgan Hill Community Development Department.

Response to Comment 3-5

Comment noted. The proposed project would include a screening wall and landscaping along the eastern border of the project site adjacent to the Mission View Drive extension. Since publication of the Draft EIR, the landscaping plan has been modified and is included in Section 3.0, Amendments to the EIR. According to the conceptual landscaping plan, trees and shrubs are proposed along the northern border of the project site at the edge of the detention pond and the large anchor stores (Major #1 and #8).

Response to Comment 3-6

Comment noted. A supermarket is not included in the proposed project, but included as a project alternative "Alternative 2 – Supermarket Alternative." If this alternative is selected, two in-line major stores would be replaced with a 50,000 square foot supermarket. A specific tenant for this supermarket has not been identified, however the proposed project would not preclude a smaller grocery store.

Response to Comment 3-7

Comment noted. Construction of a multi-level garage at the project site was not included in the project description. A parking garage would allow for additional landscaping, etc. If this were considered as part of the proposed project, construction of a multi-level parking garage could create additional visual impacts that would require additional environmental review under the California Environmental Quality Act. In addition, construction of a parking structure could render the project financially infeasible.

Response to Comment 3-8

Land will be required for intersection improvements and a traffic signal at Mission View and Cochrane; however, the exact amount of land needed for the improvements has not yet been determined. A bus stop is required for the proposed project as discussed in Response to Comment #1-15, however, it is not anticipated to be located along Mission View Drive.

Response to Comment 3-9

The property owner will benefit from the Cochrane Road Assessment District (CRAD) at the time the site is annexed into the City and developed, as utilities will be available to serve the site. With respect to the widening of Cochrane Road, Mrs. Roland was not "compensated" for the land required for the roadway widening with monetary compensation. Instead, the developer of Mission Ranch agreed to accept full burden for the cost to construct the full width of Cochrane Road. Typically, property owners are required to provide 'half-street' improvements along their project frontage at time of development. Mrs. Roland benefited from the Cochrane Road widening in that she will not need to widen the street when she develops her property.

Response to Comment 3-10

The project site and adjacent county land (Roland property) have been designated as Commercial and Single-family Medium in the *City of Morgan Hill General Plan*, respectively, for at least 15 years. The project site has also been identified as a location for regional commercial development since that time. The proposed shopping center would be consistent with the existing commercial land use designation.

At this time, the City of Morgan Hill does not have plans to change the land use designation of the Roland property from Single-family Medium to Multi-family or Mixed Use. However, should the property owner wish to pursue this change, she could file a General Plan Amendment application with the City. It should be noted that the City is initiating the annexation of 17 sites/areas that have been identified as unincorporated 'islands' within the Morgan Hill Urban Service Boundary, including the Roland property. It

2.0 RESPONSE TO COMMENTS

is anticipated that the Roland property will receive a zoning designation of either R-1(7,000) or R-1(9,000) upon annexation into the City, consistent with the Single-family Medium land use designation. Should the commenter pursue a General Plan Amendment to change the current land use designation to Multi-family or Mixed Use, she will also need to apply for a Zoning Amendment to ensure the zoning is consistent with the General Plan. The City would evaluate General Plan Amendment and Zoning Amendment requests at time of application.

Response to Comment 3-11

When a roadway is planned between two properties, it has been the policy and practice of the City to straddle the roadway evenly between the adjoining parcels, as both properties will benefit from the new road. The Roland property will benefit from the Mission View Road extension at the time the site is developed. In addition, it is the City's policy to minimize offsets in the design of new roadways. The proposed Mission View extension will need to connect with the existing Mission View/Cochrane intersection to the south and Vista de Lomas Avenue to the north. If the extension is constructed entirely on the 66.49-acre site, then an offset in the road would be created.

Response to Comment 3-12

Compensation for any required right-of-way and land dedication will be negotiated between the project applicant and the property owner.

Response to Comment 3-13

The Roland property has been identified as one of 17 sites/areas that are unincorporated 'islands' located within the Morgan Hill Urban Service Boundary. The City of Morgan Hill is currently in the process of annexing these 'islands', including the Roland property. As discussed above, it is anticipated that the zoning for the Roland property will be either R-1(7,000) or R-1(9,000) upon annexation into the City, consistent with the Single-family Medium land use designation.

Response to Comment 3-14

Mission View Road will be a public street. Therefore, after the roadway has been constructed and inspected to the satisfaction of the Public Works Department, the City would accept the roadway dedication.

Comment Letter # 4

County of Santa Clara

Roads and Airports Department
Land Development and Permits

101 Skyport Drive
San Jose, California 95110-1302
(408) 573-2460 FAX (408) 441-0275



August 22, 2005

Ms. Erika Spencer
Senior Planner
Pacific Municipal Consultants
585 Cannery Road, Suite 304
Monterey, CA 93940

Subject: Draft Environmental Impact Report(DEIR) for Cochrane Road Planned Unit
Development (PUD)
City of Morgan Hill

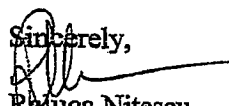
Dear Ms. Spencer,

Your July 15, 2005 letter along with the Draft Environmental Report for the subject project was received on August 2, 2005 and reviewed. Our comments are as follows:

- 4-1 | 1. Improve Condit, Half, and Peet Roads to accommodate two way traffic and shoulders for bicycle use.
- 4-2 | 2. The intersection of Main Avenue and Condit Road is impacted by the proposed project and needs geometric and traffic signal upgrade.

Thank you for the opportunity to review and comment on is project.
If you have any questions, please call me at (408)-573-2464.

Sincerely,


Raluca Nitescu
Project Engineer

Cc: City of Morgan Hill, Community Development Department
RJM,DEC, MA, WRL, File

2.0 RESPONSE TO COMMENTS

Response to Letter 4 – County of Santa Clara Department of Roads and Airports – August 22, 2005

Response to Comment 4-1

Comment noted. No specific impacts to these roadways were identified by the traffic impact analysis. The project applicant would be required to contribute development impact fees to the City of Morgan Hill for roadway improvements in the City of Morgan Hill.

Response to Comment 4-2

Comment noted. The traffic impact analysis evaluated the intersection of Main Avenue and Condit Road. The level of service under background conditions with project and cumulative plus project conditions would have a level of service (LOS) of B during the AM peak hour and LOS B+ during the PM peak hour and the Saturday peak hour. Therefore, the proposed project would have a less than significant impact on this intersection. No mitigation measures are necessary.